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## **Algeria**

## **Oilseeds and Products**

## **Annual**

## **2001**

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### **Report Highlights:**

**The Algerian oil market welcomed the emergence of the private sector since the last two years after a long domination of the public sector. This has resulted in increasing the imports of crude oils. Unfortunately, the duties on soybean meal have recently been raised, as Algeria adjusts its duty structure in preparation for WTO accession negotiations.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Rabat [MO1], AG

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## Executive Summary

### Production

Algerian oilseeds cultivation is not well developed, because of former agricultural policies. Aside from olive oil production which remains traditional, Algeria doesn't produce any oilseeds. Most of the commercialized oil is produced domestically from imported crude oil, which is refined locally by two main refiners. As recently as 1999, domestic oil production only met 60 percent of Algerian consumption needs, and the rest had to be imported as refined oil ready for consumption. Now, however, domestic production of refined oil has risen sufficiently to make imports of refined oil no longer necessary.

Until 1998, the Algerian oil and fats market was dominated by only one producer -- the state-owned operator ENCG Group, with production capacities of 1500 tons of oil per day. Since 1999, a new private operator named CEVITAL is also engaged in the production of oil and fats, with production capacities which reached, 800 tons per day in 2001, and will increase to 1700 tons with the new production line operational. CEVITAL is providing strong competition for ENCG, and has already captured half of the domestic market. A key to their marketing strategy has been to flood the market with a large range of diversified products that have been very attractive to consumers. For example, there are different oils : sunflower, rapeseed and soybean oils, olive oil, sunflower oil enriched with vitamin A, and E, and D, and free of cholesterol. Another oil, Elio 3, is a mix of three oils (sunflower, rapeseed and olive oil) and is used for salad dressings. In order to compete with expensive butter, and to help low income households, new oil with a buttery taste appeared on the market, which is used now in traditional cookies and couscous preparations.

**Table 1- Production of the two main refiners (1000 TM)**

	CEVITAL		ENCG	
Products/year	1999	2000	1999	2000
Sunflower oil	50	130		
Soybean oil	4	14		
Rapeseed oil	3	17		
Olive oil	0	0.1		
All Oils	57	161.1	307	250
Margarine	0	0	5	6

### Consumption

Oil and fats represent 7 percent of Algerian household food expenses. Total consumption in Algeria is 486 million MT of oil, 12,000 tons of butter and 42,000 tons of margarine. Sunflower oil still dominates the Algerian market, although CEVITAL has imported some soybean oil. Sunflower oil and olive oil account for most of Algerian oil consumption. Soybean oil is not well appreciated by Algerian consumers because of its strong taste and odor, but it is used in other industries (bakery products, cheese, snack foods, candies, cosmetics, and canned fish.).

## Trade

As demonstrated in Table 2 below, when the ENCG group was the sole oil producer, it experimented with new products for the market and imported various oils, including soybean oil. However, the quality remained bad and the taste of these oils was still strong. Because of this, consumers welcomed the new products from the private company CEVITAL, which are largely better than the products from the state-owned ENCG group. CEVITAL's entrance into the market since 1999 is the determining factor for the increase in sunflower oil imports.

Soybean oil, now back in the Algerian market, is Argentinian origin. U.S. origin soybean oil costs over \$30 per MT more than Argentinian product, which has discouraged CEVITAL from purchasing U.S. origin, despite professed interest in U.S. product. Because palm oil is only used in processing industries, palm oil imports have increased in the past decade, with the increase in confectionary and ice cream manufacturers. The strong taste of ENCG rapeseed oil has left its mark, so consumers are more interested in sunflower and soybean oil, which explains the decrease in rapeseed oil imports.

**Table2- Oil Imports overview during the Monopoly of ENCG decade (1988-1998)  
in (1000 MT):**

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
<b>Rapes eedoil</b>	139	119	80	100	68	40	50	40	30	45	30
<b>Soy bean oil</b>	4	9	23	100	100	197	150	70	50	65	110
<b>Sun flower oil</b>	131	136	184	125	115	90	170	235	230	240	220
<b>Palmo il</b>	10	10	10	10	15	20	13	10	20	22	25

The liberalization of the private sector in agricultural industries has benefitted many sectors, including the poultry sector and feed manufacturing. For this reason, soybean meal imports have also increased. Private importers and feed processors now compete with ONAB, the state- owned office of feed grains, which used to and still import US origin soybean meals. However, because of high U.S. prices, private importers import Argentinian and European origin, which explains the decrease of imports from U.S.

## Stocks

### Policy

With new economic reforms starting from July 2001, Algeria replaced some specific taxes for high value products.

1. The old "Valeur administree"-- a local tax arbitrarily decided upon by authorities to protect domestic production and paid in Algerian dinars -- has been replaced by a new temporary additional duty (DAP) on some products. The DAP is now 60 percent but will decrease by 12 percent each year to become 0 percent in 2006. This applies to imported products also produced in Algeria (e.g., margarine, refined sunflower oil ready for consumption).

2. The "additional specific tax" (TSA) has been replaced by a "domestic consumption tax" (TIC), but this tax only applies to about 20 products which are considered as luxury goods (tariff code chapters 08, 09, 16, and 22).

3. The maximum rate for customs duties, formerly 45 percent, has been reduced to 40 percent, effective July 2001. (Therefore, the new rates range from 5 to 40 percent.) In 2002, the maximum rate will be reduced further to 30 percent.

4. The value added tax (VAT), which used to range from 14 to 21 percent, has also been reduced. Now it ranges from 7 to 17 percent.

For the oilseeds sector (including oil and meal), the DAP will apply only to refined sunflower oil and margarine, and will be 60 percent until July 2002. At that time it will decrease 12 percent each year. Oil and seeds and meals are not affected by the TIC.

Custom duties on oil and fats used to range from 5 to 45%, higher for refined products and industries other than food but now starting from July 2002, they will range as shown below in the table;

Tariff code	product	Duties for Crude oil for food industry	Duties for Crude oil for other industries	refined oil	VAT %
1507	Soybean oil	15 %	30%	30%	17%
1509	Olive oil	30%	30%	30%	17%
1512	Sunflower oil	15%	30%	30%	17%
1514	Rapeseed oil	15%	30%	30%	17%
1511	Palm oil	15%	30%	30%	17%
1517	Margarine	30%	30%	-	17%

Custom duties on Soybean meal used to be 5% and VAT 14% , starting from July 2002, they will be as follows;

Tariff Code	Category	Custom Duty	VAT	DAP	TIC
23040000	Soybean meal	30%	17%	-	-

In addition to the custom duties, there are some customs dues-fees of 2 percent and a customs processing fee of 4 percent to add to the relevant tariffs.

## Marketing

With the increase in the private sector, and a decrease in the civil violence, U.S. industry groups are showing renewed interest in the Algerian market. In April 2000, the American Soybean Association held a one-day trade seminar on the industrial application of soybean oil based food products. Turnout was high, with about 60 participants from the Algerian oils and fats industry, both private and government. The audience was highly interested in both the statistical and the technical parts of the program. The private food processing sector is making efforts to improve their products, and are actively seeking technical cooperation.

<b>PSD Table</b>						
<b>Country</b>	<b>Algeria</b>					
<b>Commodity</b>	<b>Oil, Soybean</b>				<b>(1000 MT)(PER CENT)</b>	
	<b>Revised</b>	<b>1999</b>	<b>Preliminary</b>	<b>2000</b>	<b>Forecast</b>	<b>2001</b>
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
<b>Market Year Begin</b>		<b>10/1999</b>		<b>10/2000</b>		<b>10/2001</b>
<b>Crush</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Extr. Rate, 999.9999</b>	<b>ERR</b>	<b>ERR</b>	<b>ERR</b>	<b>ERR</b>	<b>ERR</b>	<b>ERR</b>
<b>Beginning Stocks</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Production</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MY Imports</b>	<b>120</b>	<b>12</b>	<b>145</b>	<b>21</b>	<b>0</b>	<b>25</b>
<b>MY Imp. from U.S.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>MY Imp. from the EC</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>
<b>TOTAL SUPPLY</b>	<b>120</b>	<b>12</b>	<b>145</b>	<b>21</b>	<b>0</b>	<b>25</b>
<b>MY Exports</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MY Exp. to the EC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Industrial Dom. Consum</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Food Use Dom. Consump.</b>	<b>120</b>	<b>12</b>	<b>145</b>	<b>21</b>	<b>0</b>	<b>25</b>
<b>Feed Waste Dom. Consum</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL Dom. Consumption</b>	<b>120</b>	<b>12</b>	<b>145</b>	<b>21</b>	<b>0</b>	<b>25</b>
<b>Ending Stocks</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL DISTRIBUTION</b>	<b>120</b>	<b>12</b>	<b>145</b>	<b>21</b>	<b>0</b>	<b>25</b>
<b>Calendar Year Imports</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>25</b>
<b>Calendar Yr Imp. U.S.</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Calendar Year Exports</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Calndr Yr Exp. to U.S.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Import Trade Matrix</b>			
<b>Country</b>	<b>Algeria</b>		
<b>Commodity</b>	<b>Oil, Soybean</b>		
<b>Time period</b>	<b>oct-spt</b>	<b>Units:</b>	<b>MT</b>
<b>Imports for:</b>	<b>MY1999</b>		<b>1</b>
<b>U.S.</b>	<b>0</b>	<b>U.S.</b>	<b>1000</b>
<b>Others</b>		<b>Others</b>	
<b>Argentina</b>	<b>10300</b>	<b>Argentina</b>	<b>12000</b>
<b>Spain</b>	<b>1564</b>	<b>Spain</b>	<b>8026</b>
<b>Total for Others</b>	<b>11864</b>		<b>20026</b>
<b>Others not Listed</b>	<b>136</b>		<b>0</b>
<b>Grand Total</b>	<b>12000</b>		<b>21026</b>



PSD Table						
Country	Algeria					
Commodity	Meal, Soybean				(1000 MT)(PER CENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	268	340	280	360	0	360
MY Imp. from U.S.	230	250	250	240	0	240
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	268	340	280	360	0	360
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	268	340	280	360	0	360
TOTAL Dom. Consumption	268	340	280	360	0	360
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	268	340	280	360	0	360
Calendar Year Imports	0	330	0	340	0	340
Calendar Yr Imp. U.S.	0	225	0	240	0	240
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

<b>Import Trade Matrix</b>			
<b>Country</b>	<b>Algeria</b>		
<b>Commodity</b>	<b>Meal, Soybean</b>		
<b>Time period</b>	<b>oct-sept</b>	<b>Units:</b>	<b>MT</b>
<b>Imports for:</b>	<b>MY1999</b>		<b>1</b>
<b>U.S.</b>	<b>250000</b>	<b>U.S.</b>	<b>240000</b>
<b>Others</b>		<b>Others</b>	
<b>Spain</b>	<b>20340</b>	<b>Argentina</b>	<b>61553</b>
<b>Argentina</b>	<b>33710</b>	<b>Spain</b>	<b>9083</b>
<b>Netherlands</b>	<b>14000</b>	<b>Italy</b>	<b>2477</b>
<b>Portugal</b>	<b>5300</b>	<b>France</b>	<b>5202</b>
<b>Canada</b>	<b>13734</b>	<b>Canada</b>	<b>14106</b>
<b>Total for Others</b>	<b>87084</b>		<b>92421</b>
<b>Others not Listed</b>	<b>2910</b>		<b>27500</b>
<b>Grand Total</b>	<b>339994</b>		<b>359921</b>

PSD Table						
Country	Algeria					
Commodity	Oil, Rapeseed				(1000 MT)(PER CENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	40	30	40	25	0	25
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	40	0	40	0	0	0
TOTAL SUPPLY	40	30	40	25	0	25
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	40	30	40	25	0	25
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	40	30	40	25	0	25
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	40	30	40	25	0	25
Calendar Year Imports	80	25	0	25	0	25
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

<b>Import Trade Matrix</b>			
<b>Country</b>	<b>Algeria</b>		
<b>Commodity</b>	<b>Oil, Rapeseed</b>		
<b>Time period</b>	<b>oct-sept</b>	<b>Units:</b>	<b>MT</b>
<b>Imports for:</b>	<b>MY1999</b>		<b>1</b>
<b>U.S.</b>	<b>0</b>	<b>U.S.</b>	<b>0</b>
<b>Others</b>		<b>Others</b>	
<b>France</b>	<b>17023</b>	<b>France</b>	<b>25000</b>
<b>Belgium</b>	<b>9172</b>		
<b>Danemark</b>	<b>2200</b>		
<b>Total for Others</b>	<b>28395</b>		<b>25000</b>
<b>Others not Listed</b>	<b>2060</b>		
<b>Grand Total</b>	<b>30455</b>		<b>25000</b>

<b>PSD Table</b>						
<b>Country</b>	<b>Algeria</b>					
<b>Commodity</b>	<b>Oil, Palm</b>				<b>(1000 HA)(1000 TREES)(1000 MT)</b>	
	<b>Revised</b>	<b>1999</b>	<b>Preliminary</b>	<b>2000</b>	<b>Forecast</b>	<b>2001</b>
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
<b>Market Year Begin</b>		<b>10/1999</b>		<b>10/2000</b>		<b>10/2001</b>
<b>Area Planted</b>	0	0	0	0	0	0
<b>Area Harvested</b>	0	0	0	0	0	0
<b>Trees</b>	0	0	0	0	0	0
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	0	0	0	0	0	0
<b>MY Imports</b>	28	33	30	33	0	33
<b>MY Imp. from U.S.</b>	0	0	0	0	0	0
<b>MY Imp. from the EC</b>	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	28	33	30	33	0	33
<b>MY Exports</b>	0	0	0	0	0	0
<b>MY Exp. to the EC</b>	0	0	0	0	0	0
<b>Industrial Dom. Consum</b>	0	0	0	0	0	0
<b>Food Use Dom. Consump.</b>	28	33	30	33	0	33
<b>Feed Waste Consumption</b>	0	0	0	0	0	0
<b>TOTAL Dom. Consumption</b>	28	33	30	33	0	33
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>TOTAL DISTRIBUTION</b>	28	33	30	33	0	33
<b>Calendar Year Imports</b>	0	32	0	32	0	33
<b>Calendar Yr Imp. U.S.</b>	0	0	0	0	0	0
<b>Calendar Year Exports</b>	0	0	0	0	0	0
<b>Calndr Yr Exp. to U.S.</b>	0	0	0	0	0	0

<b>Import Trade Matrix</b>			
<b>Country</b>	<b>Algeria</b>		
<b>Commodity</b>	<b>Oil, Palm</b>		
<b>Time period</b>	<b>oct-sept</b>	<b>Units:</b>	<b>MT</b>
<b>Imports for:</b>	<b>MY1999</b>		<b>1</b>
<b>U.S.</b>	<b>0</b>	<b>U.S.</b>	<b>0</b>
<b>Others</b>		<b>Others</b>	
<b>Malaysia</b>	<b>25970</b>	<b>Malaysia</b>	<b>16749</b>
<b>Indonesia</b>	<b>6514</b>	<b>Indonesia</b>	<b>15953</b>
<b>Total for Others</b>	<b>32484</b>		<b>32702</b>
<b>Others not Listed</b>	<b>516</b>		<b>35</b>
<b>Grand Total</b>	<b>33000</b>		<b>32737</b>

PSD Table						
Country	Algeria					
Commodity	Oil, Sunflowers eed				(1000 MT)(PER CENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	245	330	220	330	0	330
MY Imp. from U.S.	32	60	35	60	0	60
MY Imp. from the EC	30	0	30	0	0	0
TOTAL SUPPLY	245	330	220	330	0	330
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	245	330	220	330	0	330
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	245	330	220	330	0	330
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	245	330	220	330	0	330
Calendar Year Imports	0	320	0	320	0	320
Calendar Yr Imp. U.S.	0	60	0	60	0	60
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

<b>Import Trade Matrix</b>			
<b>Country</b>	<b>Algeria</b>		
<b>Commodity</b>	<b>Oil, Sunflowerseed</b>		
<b>Time period</b>	<b>oct-sept</b>	<b>Units:</b>	<b>MT</b>
<b>Imports for:</b>	<b>MY1999</b>		<b>1</b>
<b>U.S.</b>	<b>60000</b>	<b>U.S.</b>	<b>60000</b>
<b>Others</b>		<b>Others</b>	
<b>Argentina</b>	<b>48900</b>	<b>Russia</b>	<b>174343</b>
<b>Russia</b>	<b>141000</b>	<b>France</b>	<b>34866</b>
<b>France</b>	<b>35014</b>	<b>Ukraine</b>	<b>51365</b>
<b>Ukraine</b>	<b>35393</b>		
<b>Total for Others</b>	<b>260307</b>		<b>260574</b>
<b>Others not Listed</b>	<b>9693</b>		<b>9426</b>
<b>Grand Total</b>	<b>330000</b>		<b>330000</b>